

LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY

**COMPREHENSIVE STUDY OF THE CITY OF NAPA
SERVICE REVIEW REPORT**

APRIL 2005



LAFCO of Napa County

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INTRODUCTION

On January 1, 2001, the Cortese-Knox-Hertzberg Local Government Reorganization Act became the governing law of LAFCOs. One change brought by this Act was the creation of a new LAFCO function, the service review. California Government Code §56430 states that prior to any review or update of a sphere of influence, the Commission shall conduct a service review – a comprehensive evaluation of the ability of the agency to provide service within its existing jurisdiction and sphere. Government Code §56425(f) states that the Commission shall update all spheres every five years, meaning that the Commission must also conduct service reviews on a five-year cycle. Each of the 58 LAFCOs in California may adopt their own approach to fulfilling the service review and sphere update requirements.

To fulfill these responsibilities, LAFCO of Napa County adopted a schedule for service reviews and sphere updates to begin in late 2001 and end in late 2005. In developing this schedule, the Commission determined that the complex assignment before it must be accomplished through a series of studies. Some of these studies are designed to conduct an analysis of one type of service across many agencies and/or areas in Napa County, while other studies focus on the breadth of services offered by one agency. Overlap is an inherent component of this approach – any given agency may be evaluated in the context of several studies. As a result, there is the possibility that reports later in the schedule will give rise to reconsideration of conclusions drawn in an earlier study. In addition, this approach means that LAFCO will not fully meet its statutory obligations until the completion of its adopted schedule. When the schedule is completed, the Commission will evaluate the need for future studies and develop a schedule for the 2006-2010 cycle.

As part of the service review process, the Commission is required to consider and make written determinations with regard to nine service factors enumerated under California Government Code §56430. These factors are intended to capture the legislative intent of the service review process and offers LAFCO key information to inform policy determinations necessary to complete a sphere update. These factors are:

1. Infrastructure needs or deficiencies.
2. Growth and population projections for the affected area.
3. Financing constraints and opportunities.
4. Cost avoidance opportunities.
5. Opportunities for rate restructuring.
6. Opportunities for shared facilities.
7. Government structure options.
8. Evaluation of management efficiencies.
9. Local accountability and governance.

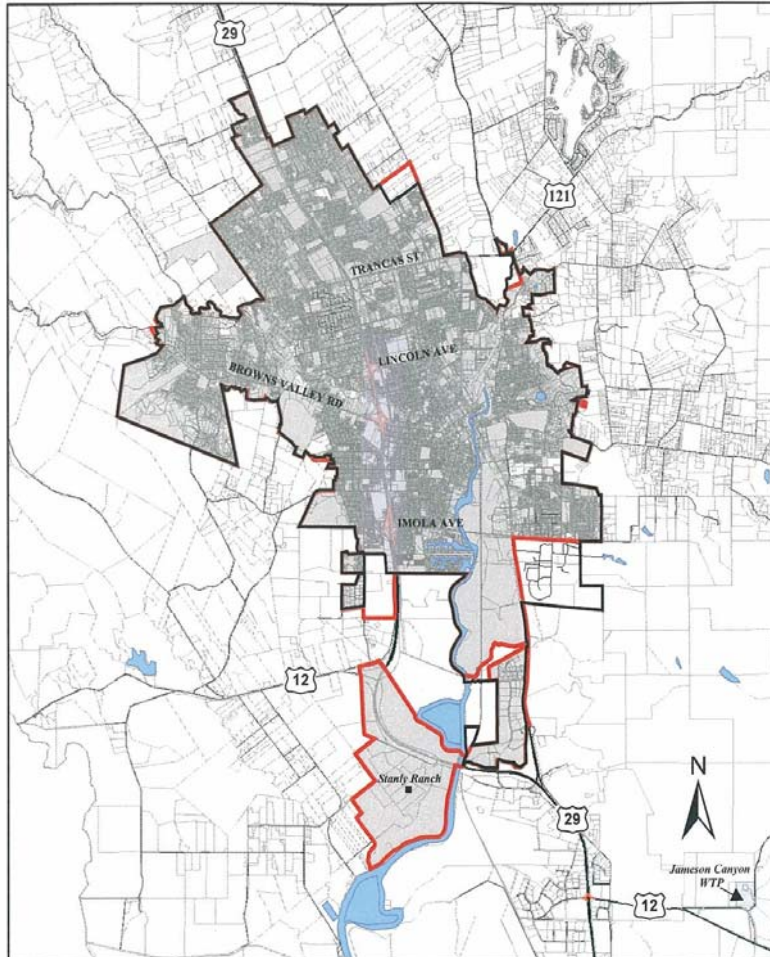
Comprehensive Study of the City of Napa

In August 2004, LAFCO of Napa County initiated its *Comprehensive Study of the City of Napa*. The study consists of two reports. This report was prepared in two phases and represents the service review portion of the study. “Phase One” involved the development of a study section for the City, which was circulated for public review and presented to the Commission at a public workshop on December 9, 2004. “Phase Two” involved the development of written determinations, which were subject to a public review process prior to their adoption by the Commission at its April 4, 2005 meeting (LAFCO Resolution No. 05-14). This report codifies both phases.

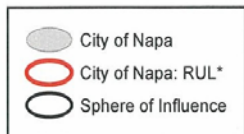
The third and final phase of the study (“Phase Three”) represents the sphere of influence review of the City and is included as part of a separate report.

Note: The geographic region of the service review includes all incorporated and unincorporated territory located within the City’s sphere of influence and adopted urban growth boundary.

City of Napa



LEGEND



Last Revised Date: December 29, 2004
Source: Napa County GIS

Not to Scale

* Rural Urban Limit

NAPA COUNTY



Prepared by: KS

OVERVIEW

Napa is located in southern Napa County near the base of the Napa Valley. The City is bisected by the Napa River and is bounded to the west by the Mayacmas Mountains and to the east by the Howell Mountains. Agricultural and open-space uses characterize unincorporated areas to the north and southwest of the City. Unincorporated areas to the northeast and south of the City are characterized by rural residential and industrial uses, respectively. The City is approximately 18.4 square miles in area, and has an elevation within its central corridor ranging from 10 to 50 feet above sea level.

Napa was originally founded as “Napa City” in 1848 by Nathan Coombs and incorporated as a charter-law city in 1914. The initial government structure consisted of a mayor-council system in which a directly elected mayor and four elected councilmembers managed the government affairs of the City. In 1949, voters approved a charter amendment resulting in the change to a council-manager government structure. Notably, the charter amendment created the position of city manager to oversee and implement adopted policies and to administer the day-to-day operations of the City.

Following its incorporation, Napa developed modestly during the first half of the 20th Century, as growth throughout the region was tempered by Prohibition and a nationwide depression.¹ It was not until the 1940s that development of the City and the surrounding unincorporated area began in earnest. This increase in development was largely the result of renewed naval operations at nearby Mare Island in Solano County, which helped increase the City’s population by 64 percent between 1940 and 1950. The increase in population resulted in the development of several areas in and around the City. This included the development of Alta Heights, East Shetler Avenue, and the Pueblo and Monticello Park areas.

In 1952, Napa participated in a cooperative effort with Calistoga, St. Helena, and the County of Napa to coordinate land use policies as part of a countywide master plan. This effort was sponsored by the Napa County Planning Commission to standardize zoning standards between the County and three cities. The master plan was adopted by the County in 1953 and represented the first time that land use controls were applied to unincorporated territory in Napa County. As part of the master plan, it was anticipated that the City would become an urban center with an eventual population ranging from 136,000 to 150,000.

In the 1960s, Napa began the process of evaluating and codifying its own land use and development policies. This process resulted in the adoption of the City’s first general plan in 1969. The general plan reaffirmed growth estimates included in the earlier County master plan by anticipating that the City would develop into an urbanized area with a population of 150,000 by 1990. To accommodate this population, the general plan identified an extended planning area for the City approximately 55 square miles in area. The planning area extended north to Oak Knoll Avenue, west and east to the foothills of the Mayacmas and Howell Mountains, and south to Bull Island.

¹ Prohibition, which was established by the 18th Amendment and enforced with the passage of the National Prohibition Act in 1919, was repealed by the 21st Amendment in 1933. The depression (“the Great Depression”) began in 1929 and ended in the 1940s.

Napa's adoption of a general plan in 1969 coincided with the adoption of the Parkway Plaza Redevelopment Project. The implementation of the 40-year project was assigned to the Napa Community Redevelopment Agency, which was formed by the City Council in 1962. The initial focus of the project was to facilitate the redevelopment of a 32-square block project area in the downtown area for the purpose of developing and expanding commercial and retail ventures. Initial activities undertaken as part of the project included renovating and demolishing impaired buildings, constructing parking facilities, and improving traffic circulation through street improvements. The present focus of the project is the development of mix-residential uses and the expansion of public improvements in coordination with the Napa River Flood Protection Project.²

In 1972, LAFCO established a sphere of influence for Napa. The sphere encompassed approximately 13,800 acres and included all of the City's incorporated territory with the exception of the "Stanly Ranch" area.³ In addition to incorporated territory, the sphere included approximately 5,200 acres of unincorporated land, including the Napa State Hospital, the Milliken Creek-McKinley Road area, and the Silverado Country Club area. The principal planning factor used by the Commission in establishing the location of the sphere was the availability of water and sewer service – specifically with respect to accommodating urban growth.⁴

That same year, LAFCO approved an annexation to Napa involving an approximately 100-acre vacant parcel known as the "Longwood Ranch." The annexation was petitioned by the property owner to facilitate the subdivision and development of condominiums on the vacant parcel located near the intersection of Trancas Street and Monticello Road. This annexation motivated slow-growth proponents to organize opposition to the proposed project. Following the City's adoption of a resolution approving the annexation, slow-growth proponents submitted a referendum petition asking voters to decide whether the property should be part of the City. A ruling by the State of California's First Appellate District Court validated the referendum petition and an election to affirm the annexation was conducted by the City. The vote to affirm was defeated by voters and resulted in the detachment by LAFCO of the Longwood Ranch from the City.

In 1973, increased public concern regarding the level of development in Napa prompted the City Council to issue an advisory ballot. The advisory ballot asked residents to recommend a target population for the City in 2000. The majority of residents responding to the ballot voted in favor of the lowest growth alternative offered, which was 75,000. The results of the advisory ballot led the City to adopt a new general plan in 1975. The new general plan amended the City's projected population to 75,000 by 2000

² The Napa River Flood Protection Project was approved by voters in 1998 to provide a 100-year level of flood protection in Napa County. The project is partially funded through a countywide sales tax and includes expenditures for improvements to the Napa River within Napa's jurisdictional boundary, including the development of a bypass channel in the downtown area.

³ The Stanly Ranch area was annexed to Napa as part of two separate proposals in 1955 and 1964. This area, which consists of approximately 1,000 acres, is located south of the Soscol Ridge and is partially bisected by State Highway 29. On March 11, 2003, the City Council approved a subdivision map for the property, which resulted in the creation of 18 new lots. The underlying project includes the preservation of existing vineyards and open-space areas along with the development on new wineries and agricultural support facilities.

⁴ Public sewer service within Napa and the surrounding unincorporated area is provided by the Napa Sanitation District.

and reduced its extended planning area from 55 square miles to 18 square miles. The new general plan also established an urban growth boundary called the “residential urban limit line (RUL)” for the purpose of directing future development. In adopting the RUL, the City Council sought to take advantage of existing infrastructure with regard to accommodating the projected population and other service related land uses, such as commercial and industrial. Other notable components of the new general plan included policy directives to preserve open-space, prevent urban sprawl, and maintain a greenbelt around the City.

Following Napa’s adoption of a new general plan, LAFCO initiated a review of the City’s sphere of influence. The review was initiated at the request of the Commission to evaluate the availability of water and sewer service to areas in and around the City. An updated sphere was adopted by the Commission in 1976 and included several modifications. These modifications were aimed at reflecting the availability of both water and sewer service along with recognizing the revised development plans of the City as indicated by the RUL of the new general plan. Notable modifications to the sphere included the removal of the Milliken Creek-McKinley Road, Silverado Country Club, and the Longwood Ranch areas – areas that had been excluded from the RUL.

Timeline Overview

1914 – Napa incorporated
 1953 – County adopts master plan
 1969 – Napa adopts general plan
 1972 – LAFCO establishes sphere
 1973 – Napa issues advisory ballot
 1975 – Napa adopts new general plan
 1976 – LAFCO updates sphere
 1982 – Napa updates general plan
 1986 – Napa updates general plan
 1998 – Napa updates general plan

In 1979, LAFCO amended Napa’s sphere of influence to include approximately 1,600 acres of unincorporated land. The area, which was characterized by open-space uses, extended south of Kaiser Road to the northern boundary of County Service Area No. 3.⁵ In approving the sphere amendment, the Commission required the City to adopt rezoning designations for the area consistent with the land use designations of the County’s General Plan. The Commission also required the City to resolve contractual questions regarding its ability to provide water service to the area.⁶ After determining that the City had not met all of its terms and conditions, the Commission modified the sphere to remove approximately 1,350 acres of land included in the original sphere amendment. This modification resulted in the removal of all land south of the Soscol Ridge from the City’s sphere.

Subsequent updates to Napa’s General Plan were adopted in 1982, 1986, and 1998. The 1982 update increased the City’s efforts to control growth and to minimize the loss of open-space lands by establishing minimum density requirements for parcels zoned residential within the RUL. It also increased densities within certain areas of the City to encourage infill development and to limit the extension of the RUL. Unincorporated areas added to the modified RUL included the Big Ranch Road/Trower Avenue area and

⁵ County Service Area No. 3 was formed in 1979 to provide public water and sewer service to the Napa County Airport and surrounding industrial park area. The District remained inactive until 1994 when it began providing street sweeping, lighting, and landscaping services.

⁶ Pursuant to its agreement with the NCFWCWD for annual entitlements to the State Water Project, Napa is not permitted to provide water service outside its designated service area if the subject area is in the service area of another agency under contract with NCFWCWD. This agreement specifies that the City’s water service area extends south of its incorporated boundary to the Soscol Ridge/Soscol Creek area. Land south of the Soscol Ridge/Soscol Creek area is located in American Canyon’s water service area.

the “Napa Valley Corporate Park.”⁷ However, in response to public concern involving the impact to neighborhoods, residential densities were later decreased by the City as part of a partial general plan update in 1986. The 1998 update codifies policies and standards with respect to land use and development for the City through 2020. Significant policy directives contained in the 1998 update include conserving neighborhood character and improving the nexus between development demands and the protection of the environment.

ADOPTED BOUNDARIES

Napa’s incorporated boundary is comprised of approximately 11,786 acres. The City’s adopted sphere of influence encompasses nearly its entire incorporated boundary with two notable exceptions: Alston Park and Stanly Ranch. Notable unincorporated areas within the City’s sphere include the Napa State Hospital and Syar Industries along State Highway 221. Land use designations for the City are defined in its General Plan, which was last updated in 1998.

Adopted Boundaries for the City of Napa (Source: County of Napa’s geographic information system)	
Incorporated Boundary:	11,493 acres
Sphere of Influence Boundary:	11,085 acres

POPULATION PROJECTIONS

Napa uses projection figures issued by the Association of Bay Area Governments (ABAG) to help identify and determine its present and future population. Population figures issued by ABAG are used by the City in the development of its housing element – a mandatory component of an agency’s general plan addressing existing and projected housing needs within the community.⁸ In September 2004, ABAG issued *Draft Projections 2005*, which includes updated population projections for the City.⁹ These projections estimate an approximate annual growth rate for the City of one-half percent through 2025. This figure is consistent with the projected annual growth rate of the City’s General Plan. It is anticipated that these projections will be finalized by ABAG within the next year. An overview of these projections is provided below.

ABAG Population Projections for the City of Napa (Source: ABAG Draft Projections 2005)					
Agency	2005	2010	2015	2020	2025
City of Napa:	80,300	82,800	85,700	87,700	89,800
Napa County:	134,100	139,700	144,800	148,100	151,100
City % of County:	60	59	59	59	59

⁷ The 1982 General Plan also changed the term “residential urban limit line” to “rural urban limit line.”

⁸ Napa’s Housing Element was certified by the State of California in March 2002.

⁹ The study area used by ABAG in the development of population projections for Napa includes all territory located within its RUL.

GOVERNANCE

Napa was incorporated as a charter-law city in 1914 and operates under the council-manager form of government. The “Napa Charter” serves as the constitution of the City. The Napa Charter identifies standards and procedures concerning the governance of the City. This includes the terms of elected office, positions of appointed officials, and designation and duties of administrative departments and commissions.

City Council:

The City Council serves as the governing body of Napa and is comprised of a directly elected mayor and four city councilmembers. The mayor and councilmembers are elected to staggered four-year terms by general vote. The mayor presides at City Council meetings, has appointment powers, and serves as the ceremonial head of the City. The principal function of the City Council is to serve as the legislative body of the City. This includes adopting local ordinances and regulations, which are codified as part of the “Napa Municipal Code.” Other notable functions include approving development projects and environmental determinations, adopting a biennial budget, and appointing the City Manager, City Attorney, and City Clerk. Meetings are open to the public and are conducted on the first and third Tuesday of each month in the City Council Chambers at City Hall.

Independent Governing Bodies

The City Council also serves as the governing board for four independent government agencies formed to provide specific services on behalf of the community. These agencies are the Redevelopment Agency, the Housing Authority, the Parking Authority, and the Public Facilities Financing Authority. An overview of these agencies is provided below.

The Napa Community Redevelopment Agency:

The Redevelopment Agency was formed by the City Council in 1962 to help facilitate the redevelopment and economic expansion of Napa. The Agency currently administers the Parkway Plaza Redevelopment Project, which is a 40-year project aimed at the redevelopment of a 32-square block area in downtown Napa. The present focus of this project, which is funded through bond and incremental property tax proceeds generated from the project area, is the development of mix-residential uses and the expansion of public improvements in coordination with the Napa River Flood Protection Project. The Agency is administered by the City’s Economic Development Department and is presently staffed by the equivalent of three full-time employees. Meetings are open to the public and are conducted on the third Tuesday of each month in the City Council Chambers.

The Housing Authority of the City of Napa:

The Housing Authority was formed by the City Council in 1942 to provide affordable housing to low-income workers following the passage of the Wanger-Steagle Housing Act of 1937. In 1995, the Authority reached an agreement to provide administrative services for the Napa Valley Housing Authority, a joint powers authority comprised of

the County, American Canyon, Calistoga, St. Helena, and Yountville.¹⁰ The Authority currently administers several affordable housing projects for both Napa and NVHA. This includes operating a countywide Section 8 Voucher Rental Assistance Program, which currently provides assistance to 1,218 participants. The Authority presently is staffed by 14 full-time permanent and three contracted employees. Meetings are open to the public and are conducted on the first Tuesday of each month in the City Council Chambers.

The Parking Authority of the City of Napa:

The Parking Authority was formed by the City Council in 1970 to finance the acquisition, maintenance, and operation of off-street parking facilities. Past projects financed by the Authority have included three city-owned parking garages built in 1985 along with several improvements to city-owned parking lots in the downtown area. Although no projects are currently planned, the Authority remains operational for the purpose of facilitating and administering future financing opportunities, including bonds and assessments. The Authority is administered by Napa's Finance Department and meets once a year on the first Tuesday of January in the City Council Chambers.

The City of Napa Public Facilities Financing Authority:

The Public Facilities Financing Authority was formed by the City Council in 1985 to finance the purchase, lease, or assignment of real or personal property with regard to the acquisition or construction of public facilities. Past projects financed by the Authority have included the construction of Fire Station No. 3, purchase of fire trucks, and the design of Napa's Police Administration Building. Although no projects are currently planned, the Authority remains operational for the purposes of facilitating and administering future financing opportunities, including bonds and assessments. The Authority is administered by the City's Finance Department and typically meets once a year on the first Tuesday of April or May in the City Council Chambers.

¹⁰ A joint powers authority is an agency formed by agreement to provide service or services between one or more public agencies.

ADMINISTRATIVE DEPARTMENTS

The administration of Napa is the principal responsibility of the City Manager, who is appointed to oversee and implement policies on behalf of the City Council and to manage the day-to-day operations of the City. The City Council also appoints a City Attorney and City Clerk to assist in the administration of the City. These appointed officials serve at the will of the City Council and as directors within their own departments. They support the City Council in developing, evaluating, and implementing policies and procedures with respect to the present and future operation of the City.

Administrative services provided by the City Manager, City Attorney, and City Clerk are coordinated with services offered by Napa's other administrative departments. Each department is managed by a director who is responsible for overseeing and staffing their respective department and preparing a biennial budget for review by the City Manager. Coordination between each department is facilitated through weekly senior staff meetings with the City Manager. Funding for these departments is primarily drawn from the City's general fund, which is mainly supported through sales, property, and transient occupancy taxes. Several departments also supplement general fund monies with revenues generated from enterprise funds and assessment districts. An overview of these departments is provided below.

City Manager's Office:

The City Manager's Office is directed by the City Manager and is responsible for administering the day-to-day operations of the City. Principal duties include providing administrative support to the City Council, overseeing the budget process, and hiring department directors. Additional duties include evaluating organizational development, reviewing program services, and overseeing labor relationships. The City Manager's Office is currently staffed by five full-time employees.

City Manager's Office			
2004/05 Budget	Funding Source	Funding Amount	Staffing
\$762,102	General Fund	100%	5 full-time

City Attorney's Office:

The City Attorney's Office is directed by the City Attorney and is responsible for providing legal advice and consultation to the City. Principal duties include representing the City in legal matters and evaluating policies and procedures with regard to federal, state, and local laws. The City Attorney's Office is currently staffed by three full-time employees and two independent contractors.¹¹

City Attorney's Office			
2004/05 Budget	Funding Source	Funding Amount	Staffing
\$628,387	General Fund	100%	3 full-time 1 part-time

¹¹ One independent contractor works on a regular basis while the other contractor handles miscellaneous assignments on a part-time basis as needed.

City Clerk's Office:

The City Clerk's Office is directed by the City Clerk and is responsible for providing records and information management for the City. Principal duties include preparing agendas and minutes for the City Council, managing legislative actions (ordinances, resolutions, municipal code, and charter), supervising regular and special elections, and serving as the City's public information officer in the event of an emergency. The City Clerk's Office is currently staffed by six full-time employees.

City Clerk's Office			
2004/05 Budget	Funding Source	Funding Amount	Staffing
\$852,599	General Fund	100%	6 full-time

Community Development Department:

The Community Development Department is responsible for administering the planned development of Napa. The Department is comprised of four divisions: Planning, Development Engineering, Building, and Code Enforcement.

Principal duties include development and environmental review, permit processing, engineering services, and building code enforcement. The Department is currently staffed by 29 full-time employees.

The Community Development Department also provides staff support for:

- Planning Commission
- Cultural Heritage Commission
- Housing Element Steering Committee

Community Development Department			
2004/05 Budget	Funding Source	Funding Amount	Staffing
\$3,800,699	General Fund	100%	29 full-time

Community Resources Department:

The Community Resources Department is responsible for maintaining Napa's park system and providing recreational activities. The Department is comprised of two divisions: Parks and Recreation. Principal duties include landscaping, facilities

maintenance and planning, managing senior and youth service programs, and operating the Napa Golf Course at Kennedy Park. The Department is currently staffed by 43 full-time employees.

The Community Resource Department also provides staff support for:

- Parks & Recreation Advisory Commission
- Senior Center Advisory Commission
- Tree Advisory Commission
- Bicycle & Trails Sub-Committee
- Community Development Block Grant Committee

Community Resource Department			
2004/05 Budget	Funding Source	Funding Amount	Staffing
\$7,500,682	General Fund	62%	43 full-time
	Recreation Fund	12%	
	Golf Enterprise	25%	
	Assessment Districts	1%	

Economic Development Department:

The Economic Development Department is responsible for the development of programs and services consistent with the adopted goals of the Economic Element of Napa's General Plan. Principal duties include developing partnerships with local business organizations and providing consultation services to prospective business investors. The Department shares staff with the Napa Community Redevelopment Agency. Staff time dedicated to the Department is equivalent to one full-time employee.

The Economic Development Department also provides staff support for:
- Napa Community Redevelopment Agency

Economic Development Department			
2004/05 Budget	Funding Source	Funding Amount	Staffing
\$124,219	General Fund	100%	1 full-time

Finance Department:

The Finance Department is responsible for administering Napa's financial resources. The Department is comprised of four divisions: Accounting, Collections, Information Technology, and Building and Facilities Maintenance. Principal duties include preparing the biennial budget and capital improvement plans, conducting internal audits, payroll, purchasing, and managing accounts receivables. Additional duties include negotiating franchise agreements for contracted services, such as cable television and garbage. The Department is currently staffed by 35 full-time employees.

The Finance Department provides staff support for:
- City of Napa Parking Authority
- City of Napa Public Facilities Financing Authority

Finance Department			
2004/05 Budget	Funding Source	Funding Amount	Staffing
\$10,399,838	General Fund	32%	35 full-time
	Parking Enterprise Fund	5%	
	Stores Internal Fund	5%	
	IT Internal Fund	1%	
	Garbage Enterprise Fund	26%	
	Risk Management Fund	31%	

Fire Department:

The Fire Department is responsible for providing Napa with fire protection and emergency medical service. The Department is comprised of three divisions: Administration, Operations, and Prevention. Direction for all three divisions is provided by the Fire Chief, who is hired by the City Manager. The Department is currently staffed by 63 full-time employees and 13 on-call reserves.

Fire Department			
2004/05 Budget	Funding Source	Funding Amount	Staffing
\$10,229,443	General Fund	100%	63 full-time 13 reserves

Personnel Department:

The Personnel Department is responsible for the recruitment, examination, and training of City staff. Principal duties include reviewing staff classifications and salary schedules, coordinating health and safety programs, and administering workers compensation and liability programs. The Department is under the direction of the Civil Service Commission, which is comprised of two members appointed by the City Council, two members appointed by City employees, and one member appointed by the other four members. The Department, whose director is hired by the Civil Service Commission, is currently staffed by five full-time employees and two part-time employees.

The Personnel Department is the only department in Napa that does not report to the City Manager.

Personnel Department			
2004/05 Budget	Funding Source	Funding Amount	Staffing
\$822,047	General Fund	100%	5 full-time 2 part-time

Police Department:

The Police Department is responsible for providing Napa with general law enforcement, crime prevention, and emergency services. The Department is comprised of six divisions: Administration, Patrol, Investigations, Support Services, Prevention, and Central Dispatch. Direction for these divisions is provided by the Police Chief, who is hired by the City Manager. The Department is currently staffed by 127 full-time employees.

Police Department			
2004/05 Budget	Funding Source	Funding Amount	Staffing
\$18,013,150	General Fund	100%	127 full-time

Public Works Department:

The Public Works Department is responsible for operating and maintaining Napa's infrastructure system. The Department is comprised of six divisions: Engineering, Transportation Engineering, Bridge and Urban Drainage, Streets and Electrical and Communications, Fleet Management, and Water. Principal duties include coordinating annexation requests, reviewing use permits, operating traffic signals, constructing and maintaining roads, bridges and storm drains, and providing water service. The Department is currently staffed by 105 full-time employees.

The Public Works Department also provides staff support for:
- Traffic Advisory Committee

Public Works Department			
2004/05 Budget	Funding Source	Funding Amount	Staffing
\$28,301,690	General Fund	25%	105 full-time
	Fleet Internal Fund	9%	
	Water Internal Fund	65%	
	Assessment Districts	1%	

SERVICE CATEGORIES

For the purpose of this review, services offered by Napa are organized into one of four broad categories. This includes general administration, planning and community development, public safety, and public works and community services. These categories are evaluated in terms of their present service operations and ability to accommodate additional demands within the timeframe of this review.

General Administration

The general administration of Napa consists of the City Council, City Manager, City Attorney, and Finance Director. This group's principal objective is to establish policies and procedures with respect to the present and future operation of the City that are consistent with the service needs of the community. Notable functions of the general administration group include communicating policy and service information to the public, overseeing the budget process, and negotiating franchise agreements. An overview of these functions is provided below.

Communication:

Napa uses a variety of measures to communicate policy and service information to the public. This includes issuing notices of public meetings in the Napa Valley Register, issuing newsletters, and posting information on the City's website. Additional efforts include conducting workshops and hearings on focused topics, such as the budget and development projects. These efforts help to ensure that service information is being effectively communicated to the public in a timely and efficient manner.

Budget Process:

Napa's budget is adopted biennially at a public hearing in which members of the public are allowed to comment with regard to expenditures and service programs. Adoption of the budget is preceded by a series of internal reviews by City staff, which is facilitated by the City Manager and Finance Director. Mid-year budget reviews are conducted to address whether adjustments are necessary to meet increased service needs or to account for changes in revenue. Through the budget process, the general administration group helps to establish and prioritize service programs and levels within the City. An overview of the current adopted budget is provided below.

Approved 2004-2005 Budget:

The City's 2004-2005 adopted budget allocates \$53,047,984 in total general fund expenditures. Over half of this amount is dedicated to funding police (34%) and fire (19%) services. The City anticipates total general fund revenues for 2004-2005 in the amount of \$45,525,000, resulting in a projected operating deficit of 7.5 million. Principal projected revenue sources include sales tax (25%), property tax (24%), transient occupancy tax (12%), and motor vehicle license fees (9%). To account for the projected deficit, which is attributed to an increase in expenses and a reduction in revenues, the City has allocated 7.5 million from its reserves.¹²

¹² After the adoption of the 2004-2005 budget, shortfalls in projected funding prompted Napa to begin evaluating budget reductions with a 4.0 million savings target.

Franchise Agreements:

The general administration group negotiates franchise agreements with outside entities for the delivery of services. These agreements establish service standards within the City and specify whether the City will receive compensation from the contracted service provider in the form of a franchise fee. Revenues generated from franchise fees contribute to the City's general fund, which are used to for a wide variety of services and programs. Prominent agreements administered by the City include contracts for garbage, cable television, and natural gas and electricity. These agreements provide the City significant savings due to the cost associated with the development and operation of specialized equipment and facilities that are typically outside the scope of a municipality's operations. An overview of these agreements is provided below:

Garbage Service:

Garbage service in Napa is provided by Napa Garbage Service, Inc. (NGS). This franchise agreement was formally entered into by the City in 1970 and through amendment is scheduled to expire in September 2005. The agreement specifies that NGS is the exclusive contractor for the collection of garbage and rubbish within the City. The agreement requires NGS to maintain an office and telephone service to process customer requests. Collection is required on a regular basis and not less than once a week.¹³ As of 1990, NSG is also responsible for providing curbside recycling service for City customers. The implementation of recycling service in the City was prompted by the passage of the Integrated Waste Management Act of 1989. This law established the Integrated Waste Management Board (IWMB), which is charged with developing and implementing regulations concerning solid waste management in California. The law includes diversion mandates requiring all municipalities to recycle or reduce at least 50 percent of their total solid waste amount beginning in 2000.¹⁴ Currently, the City's solid waste diversion rate is 52 percent.

NGS currently provides service to approximately 21,000 customers in the City.

Rates are determined by Napa and are based on the cost of service plus a reasonable level of profit for NGS. Rates are reviewed annually by both parties with changes taking effect on October 1st of each year. NGS is required to pay the City an annual franchise fee equal to five percent of its gross annual receipts.¹⁵ Current rates for residential customers are provided below.

Residential Garbage Rates in the City of Napa (effective since October 1, 2003)				
Toter Size:	20 Gallon	32 Gallon	64 Gallon	96 Gallon
Monthly Rate:	15.58	19.53	23.04	46.08

¹³ Garbage collected by NGS is processed at the Devlin Road Transfer Station in south Napa County. This facility is owned by the South Napa Waste Management Authority, which is a joint-powers authority comprised of Napa, American Canyon, Vallejo, and the County of Napa. Allied Waste Industries, Inc. is contracted to transfer waste to Keller Canyon Landfill in Contra Costa County.

¹⁴ Any municipality that does not comply with IWMB diversion standards is subject to a fine of \$10,000 per day.

¹⁵ In 2003-2004, Napa received \$712,318 from NGS.

Napa recently awarded a new contract for garbage and recycling services to Napa Recycling and Waste Services. This contract was awarded following an extensive review process and becomes effective in October 2005. Rates are not expected to be significantly impacted by this change in service provider.

Cable Television:

Cable television service in Napa is provided by Comcast. This franchise agreement was originally entered into by the City in 1970 and through amendment is scheduled to expire in January 2006. The agreement provides Comcast a non-exclusive right to construct, operate, and maintain a cable television system within the City. The agreement specifies that Comcast pay the City an annual franchise fee equal to five percent of its gross annual receipts generated from customers within the City.¹⁶ Comcast is also required to provide at least 60 channels to subscribers, make periodical system improvements to reflect current industry technology, and make available a governmental access channel. Rates are determined by Comcast and are consistent with the rates offered to neighboring communities.

Comcast currently serves approximately 20,000 customers in the City.

Natural Gas and Electricity:

Natural gas and electricity service in Napa is provided by the Pacific Gas & Electric Company (PGE). This franchise agreement was originally entered into the City in 1954. The agreement provides PGE an indeterminate right to construct, operate, and maintain a natural gas and electricity system in City. The agreement specifies that PGE pay the City an annual franchise fee equal to two percent of its gross annual receipts generated from customers in the City.¹⁷ Rates are determined by California Public Utilities Commission and are equal to the rates applied across the state.

PGE currently provides natural gas and electrical service to 26,757 and 30,775 total customers in the City.

Planning and Community Development

Planning and community development in Napa is facilitated through the development and implementation of land use policies that are consistent with the General Plan.¹⁸ The General Plan serves as the City's governing document. It was last updated in 1998 and codifies land use and development policies for the City through 2020. As required by California Government Code §65302, the General Plan addresses seven mandatory elements that are of equal status and are evaluated in terms of local relevance. Mandatory elements include land use, housing, circulation, conservation, open-space, noise, and safety. The City also elected to include four optional elements to its General Plan. Inclusion of these optional elements, which are administration, economic development, historic preservation, and parks and recreation, signals a concerted effort by the City to address other social and cultural factors affecting community development. Also of importance, the General Plan establishes standards with respect to the delivery

¹⁶ In 2003-2004, Napa received \$609,316 from Comcast.

¹⁷ In 2003-2004, Napa received \$418,166 from PGE.

¹⁸ The adoption of a general plan is required of every city and county pursuant to California Government Code §65300.

and adequacy of public services in the City. These standards help to define the level of service in the community and provide the public with a tool to measure the success of the City in meeting its service objectives. Other prominent policy documents that help to guide community development include zoning ordinances and specific plans.¹⁹ Collectively, these policy documents provide a transparent nexus between current and future planning decisions by the City.

While the development and adoption of land use policies for Napa is the responsibility of the City Council, it is the responsibility of staff to administer the day-to-day implementation of these policies. The implementation of these policies is most often carried-out by the Community Development Department (CDD). CDD is responsible for a variety of services relating to development review, building inspection, and code enforcement. This includes the review of all proposed improvement and development projects submitted by the public, such as general plan amendments, rezoning requests, use permits, and parcel and subdivision maps. As part of its review process, CDD coordinates an interdepartmental review to determine if the project will impact existing services in the City. This includes confirming the availability of water service with the City's Water Division and sewer service with the Napa Sanitation District.²⁰

CDD represents a new approach in administering and implementing land use policies in Napa. The Department was created in 2003 as a result of a study conducted by an outside consultant hired by the City to evaluate opportunities to capture organizational efficiencies with regard to community development. At the time of the study, the functions of CDD were divided between two departments, Planning and Building. The study, which was prompted by feedback from the development community, concluded that merging both departments would help expedite and streamline the development process in the City. To help guide this reorganization effort, the City hired a new director to manage CDD. The City also raised development fees to contribute towards the implementation of a new software tracking system. This tracking system is intended to improve the processing of all types of improvement and development projects by providing staff and the public with a tool to measure the status of each application. These efforts are intended to enhance the predictability and reliability of processing improvement and development applications and to indicate a renewed commitment by the City to improve customer service.

Additional responsibilities regarding community development in Napa are administered by the Public Works Department, which manages the City's annexation program. This program works with interested property owners to process annexation proposals with LAFCO. The Public Works Department maintains an informal policy with LAFCO to serve as the applicant for all interested property owners seeking annexation to the City. This program helps to streamline the annexation process and enables the Public Works

¹⁹ Zoning ordinances establish allowable land uses within designated districts of the community. Specific plans provide an increased level of planning and guide future public and private actions for a portion of the community.

²⁰ Any proposed development project would also result in Napa directing the property owners to the Napa Sanitation District to pay a sewer connection fee. Before issuing the building permit, the City would require the property owners demonstrate proof of payment and a clearance from the Napa Sanitation District stating the parcel will be connected to the sewer system.

Department to work with neighboring parcel owners to identifying opportunities to eliminate unincorporated islands whenever possible. Surveys are used by the Public Works Department to help identify interest among unincorporated island parcel owners regarding annexation. As part of this process, the Public Works Department provides surveyed owners with a comparison of costs and services between the City and County. These efforts help to address misconceptions regarding annexation and assist property owners make informed decisions.

Public Safety

The primary elements of public safety offered by Napa include fire protection, emergency medical service, and police protection.²¹ These public safety services are provided by the City's Fire and Police Departments and account for over half of the City's general fund budget. To help meet the service needs of the community, both departments coordinate their services with the services offered by the other administrative departments in the City. Both departments are asked to review and comment on proposed development projects as part of the Community Development Department's evaluation process. Both the Fire and Police Chiefs serve as committee members on the City's Traffic Advisory Committee. This committee, which includes the Public Works, Economic Development, and Community Development Directors along with two City Council and Planning Commissioners, meets monthly to discuss connectivity issues regarding existing and future projects in the City. This provides an opportunity for both departments to review and offer input concerning future connectivity projects and to advise of any impact to existing public safety services. An overview of the public safety services offered by the Fire and Police Departments is provided below.

Fire Protection and Emergency Medical Service:

The Fire Department is responsible for providing fire protection and emergency medical service within Napa's jurisdictional boundary. The Department is comprised of three divisions: Administration, Operations, and Prevention. Each division is under the direction of the Fire Chief and is managed by an assigned division chief or service officer. Administration is responsible for policy development and implementation, budget planning, and records management. Operations is the largest division and responds to all emergency and non-emergency service calls in the City, including fire, medical emergency, and traffic incidents. Prevention assists in the elimination of fire hazards through the inspection of new and existing structures.

The Department operates four fire stations that are located throughout Napa.²² Each station has an assigned service area and has a response standard of five minutes or less. Each assigned service area includes several "reporting districts," which represent defined

²¹ Additional public safety services offered by Napa include disaster planning, emergency response, and community training. The City continually updates its Emergency Plan, which identifies response procedures in conformance with California's Standardized Emergency Management System. The City also recently prepared its first Local Hazard Mitigation Plan. This plan was funded by a grant from the Governor's Office of Emergency Services and provides a risk assessment and a mitigation plan for the City with respect to fires, earthquakes, floods, and terrorism. Community training is facilitated through the City's Community Emergency Response Program. This program is offered through the Napa Valley College and is conducted by the Fire Department.

²² The Fire Department's four fire stations are located at 930 Seminary Street, 1501 Park Avenue, 2000 Trower Avenue, and 251 Gasser Drive.

areas that are used to evaluate trends and activities within the City. Approximately 80 percent of service calls meet the Department's response standard. Fire Station No. 1 serves the entire downtown area, while Fire Stations No. 2 and No. 3 serve the mid-city and northwest areas, respectively. The newest fire station, Fire Station No. 4, opened in July 2003 and serves the southeast area. The Department currently has 58 full-time firefighters along with 13 on-call reserves, who are paid on a per call basis.²³ Each station is assigned two paramedics and is served by a primary and reserve fire engine along with a patrol pick-up truck.²⁴ Additional fire fighting equipment utilized by the Department includes a ladder truck for specialized operations, a utility vehicle equipped with support apparatus, and a hazardous materials trailer outfitted with protective equipment and containment supplies. The Department also owns two inflatable rescue boats and operates a fire engine on loan from the State of California to respond to outside emergencies calls, such as wildfires.

In addition to service obligations within Napa, the Department participates in mutual-aid agreements with the American Canyon Fire Protection District and the California Department of Forestry (CDF).²⁵ The Department also maintains less formal mutual-aid agreements with the City of Calistoga, City of St. Helena, and the Napa State Hospital. These agreements provide the Department with emergency assistance upon request and helps formalize fire response services throughout the region. The Department also has an automatic-aid agreement with CDF. This agreement requires the Department to respond to all service calls within the Pueblo Park area, which is the largest unincorporated island in the City. In turn, CDF is responsible for responding to all service calls within the Hagen Road area of the City from its fire station located at 1820 Monticello Road. The Department is currently working with CDF to execute an automatic-aid agreement with respect to the other unincorporated islands within the City. In absence of an agreement, the Department will continue to respond to service calls in other unincorporated islands in the City only upon request by CDF.

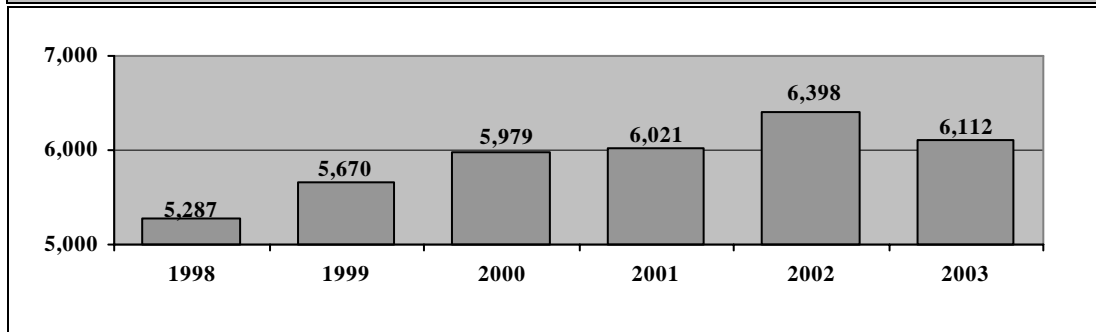
Emergency medical calls represent the largest service demand for the Department. In 2003, emergency medical calls accounted for over two-thirds of the total service calls received by the Department. Service calls also continue to rise. Between the opening of Fire Station No. 3 in 1986 and the opening of Fire Station No. 4 in 2003, the Department experienced an approximate 89 percent increase in the number of service calls – resulting in an annual increase of five percent. Although slightly reduced, the annual increase in the number of service calls over the past five years remains strong at approximately three percent. An overview of the number of service calls received by the Department during this period is provided below.

²³ Full-time firefighters include division chiefs, battalion chiefs, and captains.

²⁴ The Fire Department is responsible for determining whether transportation of a patient to a medical facility is warranted. Transportation is assigned to Piner's Napa Ambulance Service, Inc. Funding for paramedic service is provided by an annual Paramedic Tax, which is assessed to each dwelling unit in Napa.

²⁵ CDF is under contract with the County of Napa and Town of Yountville to provide fire protection services within their respective jurisdictions.

Napa Fire Department – Service Calls
(Source: 2003 Fire Department Annual Report)



A national standard used to evaluate an agency's ability to provide fire protection is based on public protection ratings issued by the Insurance Service Office (ISO). ISO is funded by the insurance industry to evaluate and establish risk ratings for local communities based on proximity and adequacy of fire fighting facilities. Significantly, these ratings impact the cost of insurance for each property within the affected community. ISO designates a split rating for Napa of 3-9 on a scale of 1 (best) to 10 (worst).²⁶ A score of three is a common rating for cities in California and applies to most areas in the City. These areas are within a 1,000 feet of a hydrant and are within five road miles of a responding fire station. A score of nine reflects those areas located along the perimeter of the City that are not within 1,000 feet of a hydrant, but are within five road miles of a responding fire station. These areas are typically served by private wells and are located in low-density areas of the City, such as properties located on Hagen Road.

In 2004, to help refine performance measures, Napa retained an outside consultant to evaluate service and planning operations for the Department. The consultant reported that the Department functions adequately, offers appropriate amounts of training to staff, and provides an acceptable level of service within the City. With respect to areas of improvement, the consultant noted a need for the Department to improve its response time within the western portion of the City. The consultant also recommended that the Department adopt a one minute or less call-processing policy, which has become a national performance measure endorsed by the National Fire Protection Association. The Department currently processes calls (dispatch to unit response) in one minute or less 34 percent of the time.

Perhaps the best and most practical standard used to evaluate an agency's ability to provide effective fire protection is based on community opinion. Although it is difficult to measure the opinion of the community, it is evident that the Department has made a concerted effort to be responsive to the needs of the community as evidenced by the development and implementation of effective policies and programs. In addition, the City and the Department continue to evaluate performance measures aimed at encouraging service provision in a manner that is cost-efficient and consistent with the needs of the community.

²⁶ ISO's fire protection ranking for Napa was last updated on May 1, 1992.

Police Protection:

The Police Department is responsible for providing police protection and emergency response service within Napa's jurisdictional boundary. The Department is comprised of six divisions: Administration, Patrol, Investigations, Support Services, Prevention, and Central Dispatch. Each division is under the direction of the Police Chief and Deputy Police Chief and is assigned a division commander or manager. Administration is responsible for policy development and implementation, budget planning, and records management. Patrol, which is the largest division, provides general law enforcement and responds to most emergency and non-emergency calls for service. Investigation is responsible for investigating serious crimes, such as homicide and sexual assault. Support Services provides staff recruitment and training, while Prevention manages several youth targeted service programs.²⁷ Central Dispatch provides 24-hour emergency phone answering service for the City's Police and Fire Department as well as for American Canyon, Yountville, and most of unincorporated Napa County.²⁸

The Department is currently staffed by 76 full-time sworn officers, which includes the Chief and Deputy Chief, division commanders, and staff sergeants.²⁹ There are also 49 full-time, non-sworn officers that provide operational support to the Department. These include public safety dispatchers, community service officers, school resource officers, contracted social workers, and administrative assistants.

Patrol service within Napa is divided between four coverage areas of equal size. Each coverage area includes several reporting districts representing defined areas that are used to evaluate trends and activities within the City. The Department prioritizes calls for service based on urgency. Each call is assigned a priority level by a public safety dispatcher on a scale of one (high) to nine (low). Calls deemed critical with regard to life and safety are assigned the highest priority level, while non-emergency calls, such as patrol checks, are assigned the lowest priority. Each call is tracked by the Department to evaluate volume, call type, and response time. In the 2003/2004 fiscal year, the Department's average response time (dispatch to on-scene arrival) for high priority calls was approximately four minutes. The Department annually reviews response times to help determine whether operational adjustments are necessary to meet the needs of the community.

The Department's most recent annual report notes that it has received – on average – over sixty-five thousand annual calls for service over the past five years. This amount includes reported crimes, investigations, traffic incidents, alarm and disturbance calls, and abandoned emergency calls. Reports of theft and vandalism represent the largest volume of reported crimes in the City. In 2003, these crimes represented approximately 26 percent and 12 percent of the total number of reported crimes in the City. Reported crimes are also on the rise. The Department reports that it has experienced an approximate 17 percent increase in the number of reported crimes between 1999 and

²⁷ Programs offered by the Department include Drug Abuse Resistance Education (D.A.R.E.), Gang Resistance Education and Awareness Training (G.R.E.A.T), and Graffiti on Napa Eliminated (G.O.N.E.).

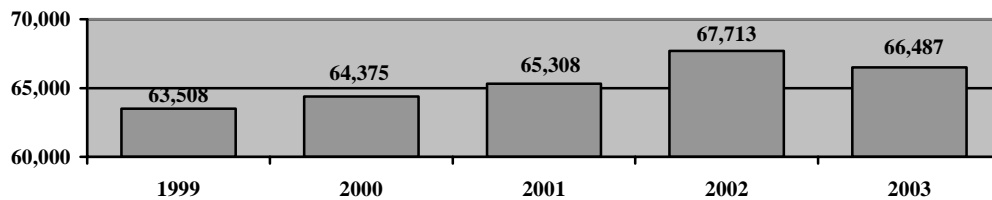
²⁸ Dispatch is jointly funded by each agency based on a per call ratio.

²⁹ The Department has currently frozen two sworn officer positions. Once filled, the Department will have 78 sworn officers.

2003. An overview of the number of calls for service and reported crimes during this period is provided below.

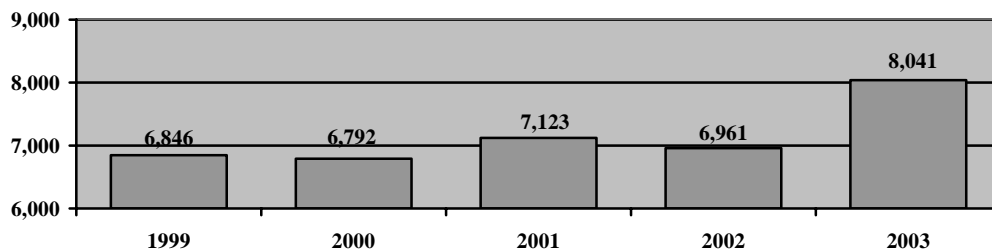
Napa Police Department – Calls for Service

(Source: 2003 Police Department Annual Report)



Napa Police Department – Reported Crimes

(Source: 2003 Police Department Annual Report)



To help ensure that adequate resources are available at all times, the Department participates in a statewide mutual-aid program facilitated by the Governor's Office of Emergency Services (OES). This program enables the Department to request assistance from other police and sheriff departments located within its designated OES region when its resources are inadequate to meet service demands. OES assistance is provided once the Department makes a request to the Napa County Sheriff Department, which is responsible for coordinating mutual-aid services for all of Napa County. If local resources are unable to provide adequate support, the Napa County Sheriff Department will request assistance from the Alameda County Sheriff Department, which serves as the regional OES coordinator for the Bay Area. The Department also maintains less formal mutual-aid arrangements with neighboring agencies to receive short-term assistance until a situation can be brought under control. Collectively, these arrangements help to ensure that adequate and dependable police protection services are available when needed in the City.

Although there is no statewide standard used to evaluate an agency's ability to provide police protection, a commonly used approach is to identify the ratio between the number of sworn officers and residents within a community. The Department notes in its annual report that the City has approximately one officer for every 1,000 residents. The Department adds that the City's officer-to-resident ratio is one of the lowest ratios in

California and has indicated that it would like to increase its number of sworn officers to be reflective of the ratios of neighboring communities in the Bay Area.

In 2004, Napa retained an outside consultant to evaluate the Department's organizational structure. This included examining whether the Department is appropriately staffed with regard to providing an adequate level of service. The consultant found that the Department maintains exceptional response times for all types of service calls and effectively uses civilian personnel to provide a wide-range of support services. The consultant determined that current staffing levels are adequate and recommended the Department expand its use of civilian personnel to help divert and reduce the workload for sworn officers. In addition, the consultant recommended an alternative organizational structure for the Department in order to capitalize on the recent retirement of the deputy chief and a division commander by eliminating both positions. The consultant concluded that eliminating both positions would provide significant costs savings and help to enhance accountability by consolidating management control within the Department.

As in the case of evaluating fire protection service, perhaps the best and most practical standard used to evaluate an agency's ability to provide effective police protection is based on community opinion. Although it is difficult to measure the opinion of the community, it is evident that the Department has made a concerted effort to be responsive to the needs of the community as evidenced by the development and implementation of effective policies and programs. Further, the City and Department continue to examine the needs of the Department with respect to allocating resources needed to provide service in a manner that is cost-efficient and consistent with the needs of the community.

Public Works and Community Services

Napa is responsible for providing a variety of services through its Public Works and Community Resources Departments. These services range from recreation to water and are perhaps the most visible of the services offered by the City. These services are also unique in that several are provided at a direct cost to the customer – typically in the form of a user charge or assessment fee. This allows customer-oriented services to be self-sufficient, such as water, community landscaping, and recreation. Services included under this section are water, street maintenance, storm drainage, and parks and recreation.³⁰ An overview of these services is provided below.

Water Service:

Napa provides water service to approximately 24,000 service connections within its water service area. This service area includes the City's incorporated territory and extends south to the Soscol Ridge and north to Rutherford. Service is facilitated through a network of supply, treatment, storage, and distribution facilities. These facilities are managed by the Water Division, which operates under the Public Works Department. Outside service connections represent approximately nine percent of the total number of connections served by the City. The majority of these outside service connections are

³⁰ Sewer service in Napa is provided by the Napa Sanitation District and will be evaluated as part of a future study.

located within the Vichy Avenue/Silverado Country Club area and Congress Valley.³¹ The City is also under contract with Calistoga and Yountville to treat and deliver each agency's annual water entitlement from the State Water Project (SWP).³²

Napa's water supply is drawn from three sources: Lake Hennessey, Milliken Reservoir, and the SWP. Water drawn from Lake Hennessey and Milliken Reservoir is secured through separate licenses with the State Resources Control Board, Division of Water Rights. These licenses authorize the City to divert and store up to 32,850 acre-feet of water annually from Conn Creek (Hennessey) and Milliken Creek (Milliken) for beneficial use. Actual combined storage capacity for Lake Hennessey and Milliken Reservoir is 32,980 acre-feet. Water drawn from the SWP is generated from the Sacramento-San Joaquin Delta and is secured through an agreement with the Napa County Flood Control and Water Conservation District. This agreement provides the City with an annual entitlement of SWP water that is delivered to its Jamieson Canyon Water Treatment Plant through the North Bay Aqueduct. The City's current annual entitlement is 13,600 acre-feet. This amount will gradually increase each year until reaching a maximum annual amount of 19,800 acre-feet in 2021 and continuing through 2035. An overview of the City's available water supply through 2010 is provided below.

Available Water Supply – City of Napa (Source: Napa's Water System Optimization and Master Plan - 1997)				
Year	Lake Hennessey (acre-feet)	Milliken Reservoir (acre-feet)	State Water Project (acre-feet)	Total (acre-feet)
2004	31,000	1,980	13,600	46,580
2005	31,000	1,980	13,850	46,830
2006	31,000	1,980	14,100	47,080
2007	31,000	1,980	14,350	47,330
2008	31,000	1,980	14,600	47,580
2009	31,000	1,980	14,850	47,830
2010	31,000	1,980	15,100	48,080

A commonly used standard to evaluate an agency's ability to meet current and future service demands involves the maximum day water demand of the service area with respect to existing and planned facility capacities. This standard is supported by Title 22 of the California Code of Regulations, which codifies health and safety regulations concerning public water service. CCR Section §64562 requires all public water service providers ensure sufficient water be available from their supply, treatment, and storage facilities to adequately and dependably meet the requirements of all users under maximum demand conditions.

³¹ Customers in Congress Valley are served by Napa pursuant to a service agreement between the City and the Congress Valley Water District. This agreement, which was renewed in 1987, establishes terms and conditions for the City to annually provide up to 100 acre-feet of potable water through 2017 to no more than 140 service connections. At the conclusion of this agreement, the District is scheduled to voluntarily dissolve and turn over all assets, including its distribution system, to the City. The City currently serves 74 connections in Congress Valley.

³² Napa also treats and delivers portions of American Canyon's annual SWP entitlement upon request when the North Bay Aqueduct is off-line or its treatment facility is shut down for repair. This arrangement is facilitated through an emergency water supply agreement. In 2002, SWP deliveries to Calistoga, Yountville, and American Canyon represented approximately eight percent of the total water treated and delivered by the City.

In 2002, Napa's maximum day water demand was 30.7 million gallons, which is equivalent to 94 acre-feet. Based on its existing facilities, the City has adequate supply and treatment capacities to meet current maximum day water demands for its service area.³³ However, improvements are required to increase the City's storage capacity to dependably meet current maximum day water demands.³⁴ This additional storage capacity is needed to help ensure adequate reserves are available during an emergency or interruption in service.

Future water demands for Napa were evaluated as part of its *Water System Optimization and Master Plan (1997)*. In addition to calculating future maximum day water demands, the plan evaluated projected annual demands under normal and drought conditions for the City. Notably, this included projecting service demands for the City's entire water service area in 2010 and 2020, which represents buildout of the General Plan. Based on these projections, and in anticipation of completion of a new 5.0 million gallon storage tank, the City will have sufficient supply, treatment, and storage capacities to dependably meet the requirements of Title 22 through 2010, which surpasses the timeframe of this review. An overview of the projections included in the plan is provided below.

Projected Water Demands – City of Napa (Source: Napa's Water System Optimization and Master Plan – 1997)			
Year	Max Day Demand (acre-feet)	Annual Demand – Normal* (acre-feet)	Annual Demand – Drought* (acre-feet)
2010	100	15,063	12,050
2020	109	16,566	13,253

* Normal demand projections were reduced by eight percent to assume the implementation of the City's conservation program, while drought demand projections were reduced by 20 percent to reflect the implementation of drought control measures.

Napa's water rate schedule is comprised of a bimonthly fixed usage charge that is divided between inside and outside city customers. This charge is based on the amount of water delivered and is measured in units of 1,000 gallons. A lift elevation surcharge is also applied to some customers that benefit from the operation of City-owned booster pumps. Both charges were recently increased to help cover service costs and planned capital improvements to the water distribution system and the Jamieson Treatment Plant as planned for in the City's *System Optimization and Master Plan (1997)*. Small rate increases are also planned for 2005 and 2006. Rates after 2006 will be annually adjusted according to the Consumer Price Index. The City's present and planned rate schedule

³³ Napa's combined treatment capacity at its three water treatment plants is currently 110 acre-feet. A planned improvement to the Jamieson Canyon Water Treatment Plant is currently underway and will increase the City's overall water treatment capacity to 163 acre-feet.

³⁴ Napa's combined treated water storage capacity is currently 86 acre-feet (this amount includes storage capacities within its three clearwell tanks, which serves the distribution system through gravity). It is anticipated that the City will complete construction on a new 5.0 million gallon storage tank near the Napa State Hospital within the next year. Completion of the "Imola Tank" will provide the City with 102 acre-feet of total treated water storage capacity – an amount that exceeds its current maximum day water demand.

helps to cover the cost of service and to contribute towards future capital improvements in a timely and efficient manner. These rates, which benefit from the spreading of service costs among a large number of customers, remain competitive with the rates offered by the other four cities in the Napa County. An overview of the City's current rate schedule is provided below.

Current Rate Schedule – City of Napa (Source: Napa Public Works Department)		
Inside City Customer (per 1,000 gallons)	Outside City Customer (per 1,000 gallons)	Elevation Surcharge (per 1,000 gallons)
\$3.40	\$4.63	\$0.25

Street Maintenance:

Napa provides regular and emergency street maintenance service for its incorporated territory through the Street Maintenance Division. This Division operates under the Public Works Department and is responsible for maintaining all public roads within the City to avoid failure pursuant to California Streets and Highway Code §1806.³⁵ The primary service objective of the Division is to keep the City's roadway system serviceable through repairs, such as patching potholes, sealing cracks, and correcting road depressions. Other regular maintenance activities include street sweeping, debris removal, and storm drainage repair and cleaning.

Road maintenance in Napa is primarily guided by the City's Pavement Management Program. This program utilizes a software system that collects, stores, and analyzes road conditions within the City. As part of the program, a triennial report is prepared by an outside consultant to evaluate the overall roadway system and to prioritize needed repairs and improvements based on existing surface conditions. For cost and safety purposes, arterial and collector roads receive a higher priority than local residential roads. Scheduling for significant road improvements or repair projects is guided by available funding and must be worked into the biennial budget. Scheduling for less significant road improvements or repair projects is also guided by available funding along with connectivity to the Pavement Management Program. With regard to addressing minor repairs, which are typically reported by the public, the Division maintains an informal policy to repair all reported potholes within a 24-hour period. The Division also budgets an annual citywide sealing program aimed at addressing roadway cracks to prevent further surface degradation. Other factors affecting the ability of the Division to schedule roadway improvements and repairs include federal and state restrictions involving public agencies performing their own projects. California Public Contract Code §22032 requires most public agencies to send out to bid all projects that exceed \$25,000.³⁶ As a

³⁵ California Government Code §57385 states that once unincorporated territory has been incorporated, all roads in the territory that had been accepted into the county road system shall become city streets on the effective date of the incorporation. G.C. §57329 also states that all roads of unincorporated territory that had been accepted into the county road system shall become city streets upon annexation to the city upon LAFCO's filing of a Certificate of Completion. Both code sections specify that a city is not required to improve any newly incorporated or annexed road to city standards.

³⁶ Napa Ordinance 2.94.030 permits the awarding of contracts not exceeding \$100,000 by an informal bid procedure as allowed by P.C.C. §22032.

result, the City is subject to higher project costs due to the costs associated with using outside labor.

Napa's roadway system requires substantial investment to address years of deferred maintenance due to past and present budget and resource allocation. The most recent update to the Pavement Management Plan concluded the City needed to budget an additional seven million dollars to its existing three million dollar budget each year for the next ten years. These additional funds are needed to improve surface conditions and to address needed maintenance projects. The Metropolitan Transportation Commission (MTC) also recently issued an update to its annual report evaluating the Bay Area's transportation system. Included in the update, MTC evaluates and ranks current pavement conditions for all local agencies within the nine county region. Using a pavement condition index that measures road vibrations using special equipment, MTC issued the City an overall average surface rating of "fair." The City's rating, however, in comparison to other local jurisdictions in the Bay Area was third to last among 102 agencies. This rating reflects a need for additional resources to be invested with respect to the City's roadway system to improve drive quality and drainage. The Division is currently attempting to develop new funding sources. Current funding opportunities under consideration include a citywide sales tax and adding a provision to the City's future garbage franchise service agreement to include an annual remittance to account for road wear and tear attributed to the garbage trucks. In absence of increased funding, the Division will continue to emphasize repairs rather than preventive maintenance with respect to the City's roadway system.

Storm Drainage:

Napa provides storm drainage service to capture and control rain and urban runoff through a network of ditches, culverts, and underground pipelines. The storm drainage system is operated by the Bridge and Urban Drainage Division, which operates under the Public Works Department. The storm drainage system covers all of the incorporated territory along with portions of adjacent unincorporated areas that drain into the City. The primary objective of the storm drainage system is to reduce the risk of flooding and to limit the discharge of pollutants from urban runoff into open water bodies as required by the State Resources Water Quality Control Board (SWQCB).³⁷ The City is registered as a "Phase II" community by the SWQCB and is subject to a general storm water discharge permit assigned to municipalities with less than 100,000 residents. This permit requires the City to develop and enforce a storm water management program aimed at reducing pollutant discharge to open water bodies through preventive measures. In 2001, to help guide its planning efforts, the Division retained an outside consultant to prepare an update to its storm drainage master plan. The update was prepared in response to an increase in development that had raised capacity concerns for the storm drainage system. The update concluded that the storm drainage system was undersized to meet existing demands, which was largely the result of outward development in the City coupled with higher densities. To improve system capacity, the update included a capital improvement program for each of the City's eight drainage basins for the purpose of providing a 10-

³⁷SWQCB is responsible for administering the U.S. Environmental Protection Agency's National Pollutant Discharge Elimination System (NPDES), which is a federal permit required of all agencies discharging pollutants into open waters.

year level of protection. In all, the update identified 13 million in needed storm drainage capital improvements. The update, which remains in draft form pending the adoption by the City Council, is used by the Division as a primary tool in guiding resources with respect to capital improvements for the storm drainage system.³⁸ Other factors helping to determine the implementation of capital improvements to the storm drainage system include development projects and requests from individual property owners.

Parks and Recreation:

Napa provides parks and recreation services through its Community Resources Department. This includes maintaining and operating a park system that includes 43 parks located throughout the City. The park system comprises passive and active recreational uses and encompasses 753 acres. City parks are classified into three categories, which represent the scope of recreational uses offered at each park. These park classifications are citywide, community, and neighborhood. Citywide parks, such as Alston and Kennedy, provide a variety of passive and active uses and are intended to serve the entire community. Community and neighborhood parks also provide passive and active uses, but are smaller in size and are intended to serve regional and neighborhood-specific areas of the City. The Department also maintains several mini-parks and plazas that serve as small play areas and meeting places in the City.

Recreational services in Napa are facilitated through a number of programs offered by the Department. Most programs are self-funded through user fees and are provided in partnership with the Napa Valley School District and the Napa Valley College. Programs offered by the Department include youth and adult sport leagues, summer camps, and special events, such as dances and educational classes. These partnerships provide cost-savings and provide staff support for developing and operating new service programs. The Department operates four community facilities that serve a mixture of uses for the City and public. They include the Las Flores Center, Senior Center, Pelusi Building, and the Fuller Park Building. The Department also operates an 18-hole public golf course at Kennedy Park.

Napa's Parks and Recreational Element of the General Plan guides planning and service standards for the Department. In conjunction with the goals and objectives set forth in the Parks and Recreational Element, the Department works with the community to identify future park and recreational needs in the City. Recent examples include the construction of a bocce court at the Senior Center and a ball field at Harvest Middle School – both projects planned and developed at the request and consultation of the community. The current focus of the Department is the construction of additional ball fields and increasing the total number of acres dedicated to public parkland.

³⁸ Napa's storm drainage program is primarily funded through its Storm Water System Fee. This annual fee is applied to all City parcels and helps to pay for maintenance and improvements to the storm drainage system. The fee is set at \$12 per year for residential parcels and a maximum fee of \$240 for non-residential parcels. The City also actively uses development agreements to help pay for needed improvements to the storm drainage system as a condition for approving a proposed tentative map.

WRITTEN DETERMINATIONS

In anticipation of reviewing and updating Napa's sphere of influence, and based on the above-mentioned information, the following written determinations are intended to fulfill the requirements of California Government Code §56430. When warranted, some determinations include supplemental information listed in italics to provide context to the underlying service factor. A review of the City's sphere of influence will be included as part of a future report.

Infrastructure Needs or Deficiencies:

1. The City of Napa has developed policies and service plans that adequately address the service needs of current and future residents within the timeframe of this study.
2. The City of Napa has made a concerted effort to address the service needs of unincorporated territory located within its urban growth boundary in the preparation of its service plans. This allows Napa to efficiently extend service to annexed territory in its urban growth boundary without diminishing service to existing residents.
3. Service plans for the City of Napa are updated on a regular basis and address the condition of infrastructure and the availability of financial resources to fund needed improvements.
4. As evaluated as part of the *Comprehensive Water Service Study*, the City of Napa has developed adequate water supplies and facilities to meet the needs of current and future residents under normal conditions within the timeframe of this study.
5. The scheduled construction of a five million gallon storage tank in 2006 will solidify the City of Napa's ability to meet maximum day demands with respect to supply, treatment, and storage facilities as required by the State of California.

Title 22 of the California Code of Regulations requires all public water service providers ensure sufficient water be available from their supply, treatment, and storage facilities to adequately and dependably meet the requirements of all users under maximum demand conditions before permitting additional connections.

6. The ability of the City of Napa to address infrastructure needs or deficiencies for services dependent on the general fund is constrained by recent increases in costs coupled with reductions in revenues. In absence of increased funding, Napa should pursue opportunities to reduce service costs and to defer non-essential capital improvements for general fund services.

7. The Napa City Council, City Manager, and Napa Police Department should continue to work together to evaluate standards measuring the appropriate level of service and staff necessary to provide effective service in a manner that is economical and consistent with the needs of the community.
8. The City of Napa requires substantial investment to its roadway system to address years of deferred maintenance due to past and present funding allocation. This need is reflected in Napa's Pavement Management Plan and is substantiated in a recent report prepared by the Metropolitan Transportation Commission. The decision to defer maintenance has contributed to the decline of driving conditions in Napa and could exponentially increase future service costs with regard to long-term road maintenance.
9. The City of Napa is currently participating in a review with the County of Napa and the Cities of American Canyon, Calistoga, St. Helena, and Yountville to develop a countywide transportation sales tax measure. If presented and approved by voters, the sales tax offers an opportunity for Napa to fund local transportation-related projects, such as deferred road maintenance, while coordinating with other jurisdictions to fund projects of common benefit in Napa County.
10. Future studies should evaluate the ability of the City of Napa to reduce service costs and to defer non-essential capital improvements with respect to the level and quality of services.

Growth and Population Projections:

1. Population projections issued by the Association of Bay Area Governments are reasonable estimates of the current and future population of the City of Napa.
2. Recent population projections issued by the Association of Bay Area Governments anticipate an annual growth rate for the City of Napa of one-half percent through 2025. This figure is consistent with the projected annual growth rate of the Napa General Plan.
3. The City of Napa's incorporated boundary encompasses approximately 97 percent of land located within its urban growth boundary. It is anticipated that Napa's urban growth boundary, which prezones all land planned for urban development through 2020, will generally remain unchanged and continue to help determine the extent and location of future service needs.
4. The City of Napa's urban growth boundary facilitates controlled growth, orderly development, and the efficient extension of municipal services.
5. The City of Napa General Plan is compatible with the land use policies of the County of Napa. This consistency helps to conform and enhance regional land use planning in south Napa County and directs urban growth away from open-space and agricultural land.

Financing Constraints and Opportunities:

1. As a result of a budget deficit, the City of Napa has elected to sustain government services over the past two years by drawing upon a substantial portion of its reserves. The reduction of its reserves underscores a need for Napa to maximize local resources and to evaluate new revenue streams aimed at increasing and diversifying its revenue base.
2. The City of Napa works with developers to identify whether infrastructure improvements are needed to serve new development without diminishing service to existing structures. This process allows Napa to establish financial obligations on the part of the developer to fund infrastructure improvements for the benefit of new and existing development.
3. The City of Napa should explore opportunities to externalize costs with regard to extending service to existing development. This would help Napa capture the cumulative cost of extending service to annexed territory that is already developed without passing on the fiscal impact to the rest of the community.

Cost Avoidance Opportunities:

1. The budget process for the City of Napa includes a number of internal procedures designed to allocate available funding with the appropriate level of service. This process, which includes mid-year reviews, provides Napa with a system of checks and balances that assists in identifying and avoiding unnecessary costs.
2. The City of Napa participates in a number of cost-sharing programs with state and local agencies through joint power agreements, regional authorities, and emergency aid agreements. These programs promote the benefits of regional partnerships and provide Napa with significant cost-savings with respect to affordable housing, garbage collection, public safety, transportation, and emergency water supplies.
3. Through the negotiation of franchise agreements, the City of Napa captures cost-savings with regard to the delivery of services that are outside the scope of its infrastructure system. These agreements reduce costs by eliminating outlays needed to develop and maintain additional infrastructure, including equipment and personnel, and provide greater flexibility to Napa in adjusting service standards to meet the needs of the community.

Opportunities for Rate Restructuring:

1. Rates and fees for services provided by the City of Napa are established by ordinances that are based on staff recommendations and are reviewed and adopted by the City Council. This process provides an opportunity for public input in the development of rate and fee schedules and strengthens the ability of Napa to match costs with the desired level of service in the community.

2. Water rates for the City of Napa are reflective of the actual costs of providing service and generate sufficient revenue to fund capital improvements. Rates are annually reviewed and adjusted as needed to reflect increases in service costs to ensure that Napa's water service operations remain self-sufficient. This practice helps to remind Napa customers of the relationship between rates and service costs and supports the long-term solvency of the water system.

Opportunities for Shared Resources:

1. The City of Napa is a member of the Napa County League of Governments, which includes the Cities of American Canyon, Calistoga, St. Helena, Yountville, and the County of Napa. This organization works to address countywide issues ranging from affordable housing to economic growth and facilitates cost efficiencies between local agencies by sharing staff and resources with regard to mutually beneficial projects and activities.
2. Through contractual agreements, the City of Napa performs a key role in the supply and distribution of potable water in the Napa Valley. This relationship facilitates shared activities among agencies, maximizes existing resources, and helps coordinate long-term planning objectives with respect to addressing the supply and demand of water in Napa Valley.

Napa is under contract with Calistoga and Yountville to treat and deliver each agency's annual water entitlement from the State Water Project (SWP). Napa is also under contract to supply potable water to the Congress Valley Water District. Additionally, Napa treats and delivers portions of American Canyon's annual SWP entitlement upon request.

3. The City of Napa should strengthen its efforts to engage the Napa County Mosquito Abatement District in its review of proposed development projects. This will enhance the review process and help to control vectors and vector-borne diseases in Napa.

Government Structure Options:

1. The City of Napa elects not to exercise its authority to provide sewer service; sewer service in Napa is provided by the Napa Sanitation District. A recent report prepared for LAFCO concluded that reorganizing the Napa Sanitation District as a department or subsidiary district with the City of Napa or County of Napa could create land use conflicts. Any future study of reorganization must address this issue.
2. There are a number of unincorporated islands within the jurisdictional boundary of the City of Napa. These islands undermine the orderly development of Napa and create inefficiencies in the delivery of public services. To address these concerns, the City of Napa, the County of Napa, and LAFCO should pursue the development of an island annexation program pursuant to California Government Code §56375.3.

California Government Code §56375.3 requires LAFCO to approve island annexations that are less than 150 acres in total area and are initiated by city resolution after January 1, 2000 and before January 1, 2007. This code section also waives protest proceedings upon Commission approval.

Evaluation of Management Efficiencies:

1. The City of Napa adopts a biennial budget at a publicly noticed meeting in which members of the public are allowed to comment with regard to expenditures and service programs. The budget process enhances the accountability of elected officials and provides a clear directive towards staff with regard to prioritizing local resources.
2. Through the budget process, the City of Napa helps to establish and prioritize service programs and levels.
3. It is the practice of the City of Napa to serve as applicant on behalf of interested property owners seeking annexation. This practice simplifies the annexation process and allows Napa to work with neighboring parcels to identify opportunities to eliminate unincorporated islands whenever possible. These efforts promote the orderly and planned development of Napa and help to improve service efficiencies.
4. The City of Napa has been diligent in the development of policies and service plans that address the existing and future needs of the community. These efforts provide effective performance measures and demonstrate a commitment by Napa to hold itself accountable to the public.

Local Accountability and Governance:

1. The City of Napa City Council meetings are conducted twice a month and are open to the public. Regularly scheduled council meetings provide an opportunity for Napa's constituents to ask questions of their elected representatives and help to ensure that service information is being effectively communicated to the public.
2. The City of Napa uses a variety of measures to communicate policy and service information to the public. These efforts facilitate local accountability and contribute to public involvement in local governance.

These efforts include issuing notices of public meetings in the Napa Valley Register, circulating newsletters, posting information on Napa's website, and conducting workshops and hearings on focused topics.

3. The budget deficits of the City of Napa and State of California have heightened the public's interest in government finance. As a public service, Napa should prepare an educational document discussing its revenue base and the manner in which policy decisions impact funding for service programs. This document would strengthen Napa's public accountability and help foster greater participation in local governance.
4. There has been a significant transition in land use policies for the City of Napa over the past forty years. This transition, which is characterized by a move towards growth control, is emblematic of Napa's efforts to respond to the needs of the community to retain a small town character and refrain from encroaching on open-space and agricultural lands.
5. The City of Napa should closely monitor and participate in the review and update of the Napa County General Plan. The update offers Napa an opportunity to work with the County to guide future urban expansion and development in south Napa County in a manner that is consistent with its own land use policies and objectives.
6. The City of Napa's General Plan serves as the principal policy document to guide future development. As a charter-law city, Napa is not required to adopt zoning standards that are consistent with the land use designations of the General Plan. Recently, to address discrepancies, Napa has amended its zoning standards to be consistent with the designated uses of the General Plan. Napa should continue this effort as part of future general plan updates, which conforms and clarifies its land use regulations while reaffirming the policies and intent of the General Plan.
7. The creation of the Community Development Department represents a new approach in administering and implementing land use policies by the City of Napa. It is expected that this approach will enhance the predictability and reliability of processing development applications and indicates a renewed commitment by Napa to improve customer service.
8. Services provided by the City of Napa are maintained and managed by a responsive and professional staff. These characteristics enhance accountability and cultivate desirable working relationships with members of the public as well as other agencies.

SOURCES

Agency Contacts:

- City Manager's Officer
- Community Development Department
- Community Resources Department
- Finance Department
- Fire Department
- Police Department
- Public Works Department

Outside Agency Contacts:

- Association of Bay Area Governments
- Comcast
- Housing Authority of the City of Napa
- Insurance Service Office
- Metropolitan Transportation Commission
- Napa Community Redevelopment Agency
- Napa Garbage Service
- Pacific Gas & Electric
- State Water Resources Control Board – San Francisco Bay Region

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- Metropolitan Transportation Commission: <http://www.mtc.ca.gov> (October 2004)
- State of California – California Law: <http://www.leginfo.ca.gov/calaw.html> (October 2004)
- State Water Resources Control Board – San Francisco Bay Region: <http://www.waterboards.ca.gov/sanfranciscobay> (October 2004)